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**AD HOC COMMITTEE  
OF THE  
TECHNOLOGY SERVICES BOARD  
DEPARTMENT OF TECHNOLOGY SERVICES**

**PUBLIC MEETING MINUTES**

**August 1, 2008**

The Ad Hoc Committee of the Technology Services Board (TSB) met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 3:00 p.m., in the Leonard Carter Conference Room at the State and Consumer Services Agency, located at 915 Capitol Mall, Sacramento, California 95814.

**1. Call to Order**

Chairperson Teri Takai called the meeting to order at 3:07 p.m.

Roll Call was completed:

1. Teri Takai, State Chief Information Officer (present)
2. Michael Genest, Director, Department of Finance  
(Designee Fred Klass - present)
3. John Chiang, State Controller  
(Designee Jim Lombard - present)
4. A. G. Kawamura, Secretary, Department of Food and Agriculture  
(Designee Davood Ghods - present)
5. Kim Belshé, Secretary, California Health and Human Services Agency  
(Designee Carlos Ramos - absent)
6. Thomas Johnson, Secretary, Department of Veterans Affairs  
(Designee Terry Coyle - present)



## **2. Review of DTS Rate Benchmarking Methodology – Discussion Item**

Zahid Masood and Phillip Beidelman, of Western Telecommunication Consulting, Inc., presented their methodology for benchmarking the Department of Technology Services' (DTS) baseline cost for network/telecommunications services. This methodology will also be used for benchmarking open systems/mid-range/server processing services rates and data storage rates. The methodology includes a rate comparison to both public and private sector organizations.

Mr. Masood discussed the objectives of the project which are to compare DTS rates, costs and components with other organizations and made recommendations on how to improve the DTS' rate structure. Mr. Masood and Mr. Beidelman discussed their approach, line of business analysis, who will be participating in the benchmarking process and the status of the project. Melissa Matsuura of DTS noted that budget constraints and the addition of new DTS network rate cost centers have affected the project timeline.

The presentation was followed by general discussion and questions regarding the various methods typically used for rate benchmarking, how the type of services being offered should be reviewed, cost comparisons between public and private sectors, financial considerations and other qualifiers. The Committee agreed with the methodology and approach.

Chairperson Takai recommended that the Ad Hoc Committee members subdivide in order to review aspects of the project more closely. Mr. Beidelman recommended that the Ad Hoc meetings be held at three to four week intervals and that two more meetings should be held before the next TSB meeting, in order to keep the project on track. (The next TSB meeting has been rescheduled to November 7, 2008.)



### **3. Public Comment**

Members of the public noted that the precise definition of the service being provided is a key to a successful benchmarking effort. After some additional discussion, the meeting was adjourned.

### **4. Meeting Adjournment**

The meeting was adjourned at approximately 4:17 p.m.